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Attorney General Brown Applauds U.S. Department of Education's Strongest-Ever Proposed Gainful Employment Rule

BALTIMORE, MD (June 27, 2023) – Maryland Attorney General Anthony G. Brown has joined a coalition of 21 Attorneys General in submitting a [comment letter](#) to the U.S. Department of Education, applauding its strongest-ever proposed Gainful Employment Rule.

Originally issued by the Obama administration in 2012, the Gainful Employment Rule aims to protect students by, among other things, establishing expectations that graduates of for-profit colleges and of career-training programs at nonprofit colleges earn enough money to meaningfully pay back their federal student loans. In doing so, the Gainful Employment Rule also protects taxpayers by ensuring that low-quality programs – largely concentrated at for-profit institutions – are cut off from access to taxpayer funds in the form of federal student aid. The entire Rule was repealed during the previous administration. The Biden administration is now proposing a new Gainful Employment Rule that strengthens federal efforts to hold predatory colleges accountable.

“The burden of student loan debt continues to deny countless Marylanders the opportunity to achieve their full potential,” said Attorney General Brown. “All students deserve access to high-quality programs and assurance that their educational investments will lead to meaningful opportunities. We must continue to fight for high-value – and affordable – higher education, and ensure that predatory institutions aren’t benefitting off the backs of taxpayers, if we want to see a more equitable and prosperous future for Maryland.”

Under the Higher Education Act, post-secondary institutions are required to “prepare students for gainful employment in a recognized occupation.” If an institution fails to do so, it risks losing access to federal financial aid. The U.S. Department of Education [announced](#) its latest proposed Gainful Employment Rule on May 17, 2023, and requested public comment. Today’s letter responds to that request.

In its proposed Gainful Employment Rule, the U.S. Department of Education would establish the following protections:

- A debt-to-earnings ratio that post-secondary institutions must pass. This includes a requirement that graduates, between the ages of 25 and 34, earn more than a typical high-school graduate in the state where the program is located.
- An expansion of disclosure requirements – such as a new website that would provide students and their families with information on the costs of a particular program, how much they are likely to earn after graduation, and typical borrowing amounts in federal and private loans – to empower them to make informed decisions; and
- A requirement that schools certify that they are in compliance with certain state consumer-protection laws.

In the letter, the coalition commends the above proposals and urges the U.S. Department of Education to:

- Both expand and clarify its proposed requirements regarding institutional compliance with state consumer-protection laws by, among other things, requiring schools that offer programs in multiple states to comply with all state consumer-protection laws in each state in which the school enrolls students; and
- Limit any relaxation of standards within the Gainful Employment Rule, such as the decreased earnings threshold it is proposing for programs serving students in economically disadvantaged locales, to avoid institutional abuse. The coalition underscores that online programs, which can provide instruction to students outside a particular locale, should not be subject to any such reductions.

Joining Attorney General Brown in submitting the comment letter are the Attorneys General of California, Arizona, Colorado, Connecticut, Delaware, the District of Columbia, Illinois, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New York, North Carolina, Oregon, Pennsylvania, Rhode Island, Vermont, Washington, and Wisconsin.

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